

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 ISO-00 EURE-00 INT-08 SCEM-02

SCI-06 AID-20 CEA-02 CIAE-00 COME-00 EB-11 FRB-02

INR-10 IO-14 NSAE-00 RSC-01 OPIC-12 SPC-03 TRSE-00

CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03

NSC-10 PA-04 PRS-01 SS-20 USIA-15 ACDA-19 OIC-04

DRC-01 /235 W

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FM USMISSION OECD PARIS

TO SECSTATE WASHDC PRIORITY 1201

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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USMISSION EC BRUSSELS UNN

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C O N F I D E N T I A L USOECD PARIS 30091

E.O. 11652: GDS

TAGS: ENRG, OECD

SUBJECT: MEETING OF OECD OIL COMMITTEE, NOVEMBER 20, 1973

1. SUMMARY. AFTER AN ABBREVIATED VERSION OF HLG DEBATE, OIL COMMITTEE AGREED TO LEAVE ASIDE QUESTIONS OF A) REACTIVATION OF IIAB AND B) IMPLEMENTATION OF EUROPEAN EMERGENCY APPORTIONMENT SCHEME, BOTH OF WHICH MAY BE TAKEN UP DIRECTLY IN OECD COUNCIL. CHAIRMAN WANSINK AND SECRETARIAT INSTRUCTED TO PROCEED WITH REPORTS ON OIL SUPPLY SITUATION ON BASIS OF CONTINUING INFORMAL CONTACTS WITH COMPANIES, INFORMATION FROM MEMBER COUNTRIES, AND INFORMATION TO BE MADE AVAILABLE BY US ON RESULTS OF STUDIES OF EMERGENCY PETROLEUM SUPPLY COMMITTEE'S SUB-COMMITTEE ON SUPPLY AND DISTRIBUTION. INFORMATION WAS EXCHANGED ON EACH MEMBER'S SUPPLY SITUATION AND EMERGENCY MEASURES TAKEN OR PLANNED (REPORTED SEP TEL). FOLLOWING SECRETARIAT REPORT ON MACROECONOMIC EFFECTS RECENT OIL PRICE HIKES, US DEL COMPLIED WITH CHAIRMAN'S REQUEST TO BRIEF COMMITTEE ON OUTCOME OF NOV 17 VIENNA MEETING BETWEEN OPEC AND OIL COMPANIES. MEMBERS ASKED TO RESERVE DECEMBER 19 FOR POSSIBLE NEXT MEETING OF OIL COMMITTEE. END SUMMARY.

2. REACTIVATION OF IIAB AND IMPLEMENTATION OF EUROPEAN APPORTIONMENT SCHEME. NO DECISION TAKEN ON THESE QUESTIONS. COMMITTEE BACKED INTO DISCUSSION OF THEM IN SPITE OF CHAIRMAN'S ATTEMPT TO PASS THEM BY WITH CRYPTIC SUMMARY OF HLG CONCLUSIONS, WHICH SWISS AND SWEDES FOUND UNDISFACTORY. WITH RESPECT TO SUBSTANCE, DUTCH DELEGATION SUPPORTED REACTIVATION OF IIAB AND IMPLEMENTATION OF EUROPEAN APPORTIONMENT SCHEME, WHILE FRENCH, BRITISH AND ITALIANS OPPOSED. CHAIRMAN ORIGINALLY STATED THAT IN VIEW OF COMPLEX POLITICAL IMPLICATIONS OF THESE QUESTIONS HLG HAD DECIDED TO REFER THEM TO OECD COUNCIL, BUT HE FINALLY ACCEPTED FRENCH-CONFIDENTIAL

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BRITISH-ITALIAN VIEW THAT HLG HAD MERELY NOTED THAT OECD RULES OF PROCEDURE AND OTHER RELEVANT INSTRUMENTS WOULD PERMIT SECGEN OR A SINGLE MEMBER COUNTRY TO SEIZE COUNCIL WITH THESE ISSUES IN A CASE OF URGENCY EVEN IN THE ABSENCE OF ANY RECOMMENDATION BY THE OIL COMMITTEE. IN THE MEANTIME, OIL COMMITTEE AGREED TO HANDLE PROBLEM OF GATHERING INFORMATION ON OIL SUPPLY SITUATION IN MANNER SET FORTH IN SUMMARY ABOVE.

3. SWISS DELEGATION SUGGESTED IT WOULD BE WORTH DISCUSSING WHETHER SOME MIDDLE GROUND COULD BE FOUND FOR INTERNATIONAL COOPERATION IN VIEW OF LACK OF AGREEMENT ON REACTIVATING IIAB. HE SUGGESTED AS ONE POSSIBILITY COORDINATION OF CERTAIN NATIONAL MEASURES TO RESTRICT DEMAND FOR ENERGY. SECRETARIAT (ELDIN) SUGGESTED , AND IT WAS AGREED, THAT DELEGATIONS TO OIL COMMITTEE SHOULD SUBMIT IN WRITING A LIST OF MEASURES TO RESTRICT ENERGY DEMAND BEING UNDERTAKEN IN THEIR OWN COUNTRIES, WITH SECRETARIAT TO PREPARE SYNTHESIS FOR SUBSEQUENT DISCUSSION. SECRETARIAT WILL CIRCULATE REQUEST FOR INFORMATION SHORTLY.

4. PRICES. SECRETARIAT (MARRIS) GAVE BRIEF, INTERESTING ORAL REPORT ON IMPACT OF RECENT OIL PRICE INCREASE ON GENERAL PRICE LEVELS AND BALANCES OF PAYMENT OF OECD MEMBERS. REPORT SUMMARIZED CONCLUSIONS REACHED BY RECENT MEETING OF ECONOMIC POLICY COMMITTEE, REPORTED OECD 29698. US DEL THEN COMPLIED WITH CHAIRMAN'S REQUEST TO REPORT ON OUTCOME OF NOVEMBER 17 MEETING BETWEEN OIL COMPANIES AND OPEC IN VIENNA TO DISCUSS GULF STATES UNILATERAL DECISION TO RAISE POSTED PRICES OF CRUDE OIL EXPORTS. US DEL USED FOR THIS PURPOSE MATERIAL DRAWN UP BY COMPANIES TO BRIEF CONSUMER GOVERNMENTS AND SUPPLIED TO US IN PARIS. MATERIAL INCLUDED FORMAL STATEMENT MADE BY COMPANIES AND A SUMMARY OF COMMENTS BY GULF STATES' MINISTERS.

5. OIL-SHARING. ORAL SUMMARY OF FINAL REPORT OF HLG'S INFORMAL GROUP ON OIL SHARING GIVEN TO OIL COMMITTEE BY RAPPORTEUR (R. EBEL, US DEPT OF INTERIOR). FOLLOWING EDITING OF FRENCH TEXT, COPIES OF REPORT WILL BE MADE AVAILABLE TO OIL COMMITTEE MEMBERS IN ABOUT TWO WEEKS. CONFIDENTIAL

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6. TAR SANDS. INFORMATIVE PRESENTATION ON OPERATIONS OF HIS COMPANY MADE BY PRESIDENT OF GREAT CANADIAN OIL SANDS LIMITED WAS MARRED FOR CANADIAN DELEGATION BY ATTACK ON CERTAIN POLICIES OF FEDERAL GOVERNMENT OF CANADA (INCLUDING LEVY ON OIL EXPORTS) AND OF ALBERTA GOVERNMENT, WHICH GCOS BELIEVES UNDULY INHIBIT THE DEVELOPMENT OF OIL EXTRACTION ACTIVITIES.

7. MISCELLANEOUS ITEMS. OIL COMMITTEE HEARD PROGRESS REPORT ON OECD LONG-TERM ENERGY STUDDY. ENE, SPANISH OIL COMPANY, ADDED TO I.I.A.B. ROSTER ON PROPOSAL OF SPANISH DELEGATION. REPORT ON EUROPEAN OIL STOCKS NOTED, AS WAS AGREEMENT BY NEW ZEALAND TO REPORT ON ITS STOCKS. OIL COMMITTEE APPROVED WITHOUT AMENDMENT DRAFT

RECOMMENDATION ON GUIDELINES FOR ACTION ARISING FOR
STUDY ON AIR POLLUTION FROM FUEL COMBUSTION IN STATIONARY
SOURCES.

8. PRESS STATEMENT. CHAIRMAN AUTHORIZED BY OIL COMMITTEE
TO MAKE STATEMENT TO PRESS WHICH BASICALLY CATALOG OF
SUBJECTS DISCUSSED EXPRESSED IN CAREFULLY NEUTRAL TERMS.

9. DATE OF NEXT MEETING. DELEGATES TO OIL COMMITTEE
ASKED TO RESERVE DECEMBER 19 FOR POSSIBLE OIL COMMITTEE
MEETING.
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